



Iowa Finance Authority Single Family Program Kaizen Event

“We’ve Got A Story” Team
September 12-16, 2011

The Opportunity

Eric Chatman

“We’ve Got A Story” Team



Team Members

Sheri

- Adrienne Williams
- Rob Tietz
- Karen Rasmussen
- Rose Creason
- Megan Seuferer
- Mark Fairley
- Lon Kobernusz
- Steve Harvey
- Vivian Knodel
- Eric Chatman
- Irene Hardisty
- Sheri Krohn
- Scott Schmitt, US Bank
- Sally Mazzola, US Bank
- Jim Stretz, GKB
- James Smith, Dorsey
- Peggy Doerge, MidwestOne Bank
- Becky Harkleroad, IBMC
- Ann Hogle, DHS
- John Burke, DHS
- Mike Rohlf, DED

Scope

Megan

This event will address the Single Family Mortgage Program process from when a loan is reserved until the loan is financed by IFA or sold in the secondary market.

Goals

Rob

1. Increase single family market share from 1.25% to 5%
2. Reduce time to purchase the loan to 90 days from 103
3. Increase mortgage volume level in accordance with the 5-year strategic plan
4. Ability to audit 4-6 First Home loan reviews within an 8-hour period (currently 3-5) or 6-8 Homes for lowans reviews within an 8-hour period(determine a per-case timeframe average per person)

Objectives

Mark

1. Develop a broad based understanding of single family mortgage pipeline
2. Speed up the process
3. Speed up individual processes
4. Understand lender's issues
5. Increase the predictability of the loans moving through the pipeline

Objectives

Rose

6. Increase consistency with communication internally and externally
7. Make processes easier for the lender (lender-friendly process)
8. Communicate to lenders the ease of the process
9. Increase lender satisfaction
10. Reduce lender complaints

Kaizen Methodology

John Burke

- Clear objectives
- Team process
- Tight focus on time
- Quick & simple
- Necessary resources immediately available
- Immediate results (new process designed by end of week)
- 5S “mindset”--use the steps to support the event activities
 - Sort, Set in order, Shine, Standardize, Sustain

Adrienne



Results

Vivian

# TOTAL STEPS	143
# VALUE ADDED	6
% VALUE ADDED (#VA/#Steps)	4%
# DELAYS	18
TOTAL DELAYS best case (days)	138
TOTAL DELAYS worst case (days)	435
LOOP BACKS	18
HANDOFFS	32
DECISIONS	23
TOTAL CYCLE TIME (days)	213

Brainstorming

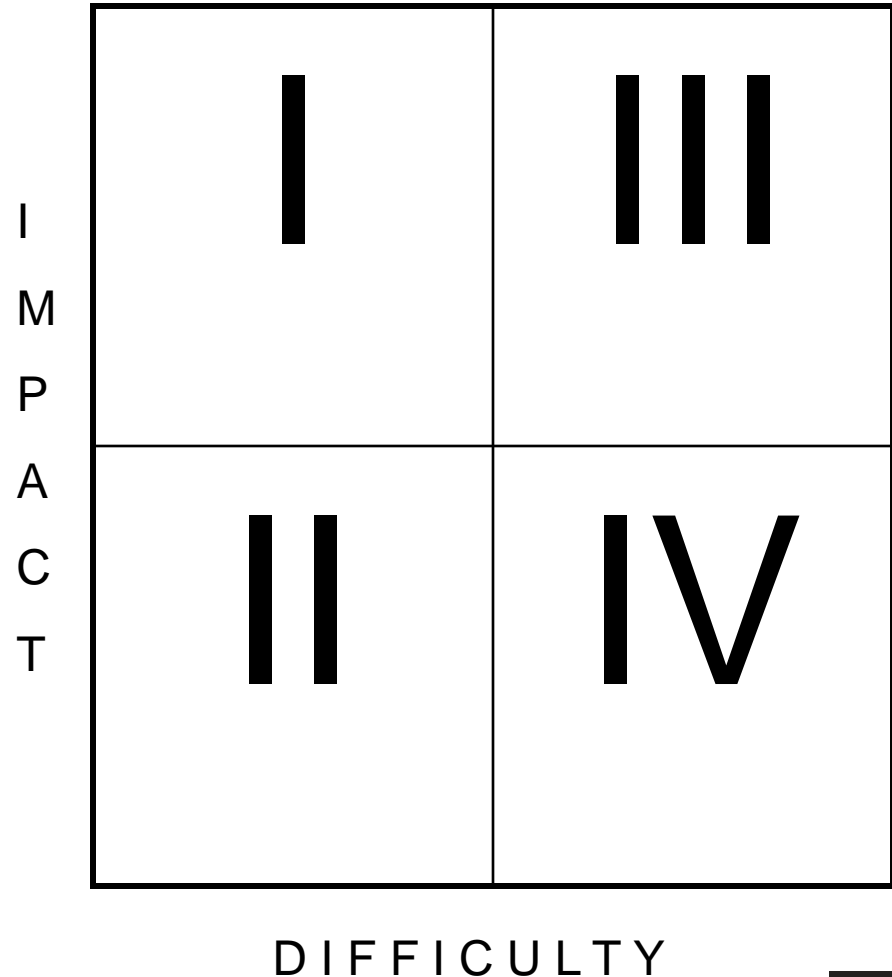
Steve

- Simplify Checklists
- Lender incentives
- Assign auditors to specific lenders
- Training for staff
- Everyone trains lenders
- One process – one team

De-selection Process

Steve

- Identifies
 - Impact to customer
 - Difficulty implementing
- Helps to rate/rank solutions to resolve issues while identifying ease of implementation



Adrienne



Results

Lon

	Old Process Proc#1	New Process Proc#1	Percent of Change Proc#1
# TOTAL STEPS	143	65	55%
# VALUE ADDED	6	3	10%
% VALUE ADDED (#VA/#Steps)	4%	5%	10%
# DELAYS	18	16	11%
TOTAL DELAYS average process (use consistent unit of time)	138	87	37%
TOTAL DELAYS worst case (use consistent unit of time)	435	329	24%
LOOP BACKS	18	3	83%
HANDOFFS	32	34	6%
DECISIONS	23	9	61%
TOTAL CYCLE TIME (use consistent unit of time)	213	104	51%

Homework

Irene

Homebuyer Marketing	Participate in homebuyer shows -Important - have a schedule	Karen	10/14/2011
	Provide info to homebuyers	Karen	10/14/2011
	Survey homebuyers (follow up)	Karen	10/14/2011
	Collaborate w/ Homeownership Education Program	Karen	10/14/2011
	First time home buyer class	Karen	10/14/2011
Automation	Automated "assignment" list through IT	Sheri	11/18/2011
	Automate all checklists easier to read	Megan/Adrienne	10/14/2011
Lender Incentives	Improved pricing or shorter reservation periods	Mark/Rob/Irene	11/18/2011
	.25% to lenders who deliver 1st time through IFA/USB and within timeframe	Mark/Rob/Irene	11/18/2011
	Increased SRP for quicker deliver	Mark/Rob/Irene	11/18/2011
	Greater DPA-more lender business	Mark/Rob/Irene	11/18/2011
	Annual bonus for lenders	Mark/Rob/Irene	11/18/2011
	Lender late fees-review and compare current policy; consider tiered structure, develop policy for loan cancellation if exceptions not cured.	Mark/Rob/Irene	11/18/2011
	Evaluate and compare IFA fees to other HFA's and other products available to lenders (Mark and Rob)	Mark/Rob/Irene	11/18/2011
	Evaluate and compare other correspondent banks-Sun Trust, FHLB, etc. (Mark) Irene	Mark/Rob/Irene	11/18/2011
	Lender bonuses for: clean compliance and most loans.	Mark/Rob/Irene	11/18/2011
	Top 10 conditions list-revised periodically DD214, income, real estate deduction, mortgage int on tax returns/ sig dates	Adrienne/Megan	12/23/2011
	Survey lenders on training ideas-develop survey, communications to develop interview lenders, formulate results	Irene/Sheri	3/15/2012
Training	Obtain training materials from other HFA's	Rose	11/18/2011



Team Member Experience

- Karen
- Adrienne
- Eric

Comments

- Ann Hogle, DHS
- Mike Rohlf, DED

**We welcome your
questions and comments!**